



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
Christopher Seppanen
Executive Director

MIKE ZIMMER
DIRECTOR

[REDACTED]

Date Mailed: March 23, 2016
MAHS Docket No.: 15-024861
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

HEARING DECISION

Following Petitioner's request for a hearing, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 400.37; 7 CFR 273.15 to 273.18; 42 CFR 431.200 to 431.250; 45 CFR 99.1 to 99.33; and 45 CFR 205.10; and Mich Admin Code, R 792.11002. After due notice, a telephone hearing was held on March 17, 2016, from Detroit, Michigan. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by [REDACTED], hearing facilitator.

ISSUE

The issue is whether MDHHS failed to process Petitioner's submitted medical expense towards a deductible.

FINDINGS OF FACT

The administrative law judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. Petitioner was an ongoing Medical Assistance (MA) recipient.
2. For January 2014, MDHHS approved Petitioner for Medicaid, subject to a \$673 deductible.
3. On an unspecified date in February 2014, Petitioner submitted a \$6,461.40 medical expense incurred on [REDACTED].
4. On [REDACTED], Petitioner requested a hearing to dispute the failure by MDHHS to process Petitioner's medical expense.

5. As of the date of hearing, MDHHS has still not processed Petitioner's medical expense from January 2014.

CONCLUSIONS OF LAW

Medical Assistance (MA) program is established by Title XIX of the Social Security Act, 42 USC 1396-1396w-5; 42 USC 1315; the Affordable Care Act of 2010, the collective term for the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152; and 42 CFR 430.10-.25. MDHHS (formerly known as the Family Independence Agency) administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k. MDHHS policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Petitioner requested a hearing to dispute the failure by MDHHS to process a medical expense incurred on [REDACTED]. It was not disputed that Petitioner was eligible for Medicaid subject to a \$673 deductible for January 2014.

Deductible is a process which allows a client with excess income to become eligible for Group 2 MA if sufficient allowable medical expenses are incurred. BEM 545 (July 2013) p. 10. Each calendar month is a separate deductible period. *Id.* The fiscal group's monthly excess income is called the deductible amount. *Id.*, p. 11. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month. *Id.*, p. 11. The client must report medical expenses by the last day of the third month following the month in which the group wants MA coverage. *Id.*

If [medical expenses are] equal to or more than the remaining excess income, income eligibility exists starting on... the exact day the expenses exceeded the excess income. *Id.*, p. 4. However, MA may only be billed for the amount that exceeds the group's liability [...]. *Id.*

It was not disputed that Petitioner submitted to MDHHS a \$6,461.40 medical bill incurred on [REDACTED]. It was not disputed that Petitioner submitted the medical bill to MDHHS sometime in February 2014. Thus, Petitioner's submission was timely enough for MDHHS to apply the bill towards her January 2014 Medicaid deductible. Petitioner presented an updated copy of the bill (Exhibit A) which reflected a balance of \$3,846.60 (the bill was reduced due to an uninsured discount). Had MDHHS properly processed Petitioner's bill, MDHHS would have issued Medicaid to Petitioner beginning [REDACTED] through the end of the month. MDHHS would have also covered the amount of the bill exceeding Petitioner's deductible.

MDHHS conceded Petitioner's medical expense from [REDACTED] was not processed. Thus, MDHHS will be ordered to process Petitioner's medical expense.

DECISION AND ORDER

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS failed to process Petitioner's medical bill from [REDACTED]. It is ordered that MDHHS begin to perform the following actions within 10 days of the date of mailing of this decision:

- (1) process Petitioner's medical bill from [REDACTED] towards Petitioner's January 2014 Medicaid deductible; and
- (2) issue any benefits improperly not issued.

The actions taken by MDHHS are **REVERSED**.

CG/hw



Christian Gardocki
Administrative Law Judge
for Nick Lyon, Director
Department of Health and Human Services

NOTICE OF APPEAL: A party may appeal this Order in circuit court within 30 days of the receipt date. A copy of the circuit court appeal must be filed with the Michigan Administrative Hearing System (MAHS).

A party may request a rehearing or reconsideration of this Order if the request is received by MAHS within 30 days of the date the Order was issued. The party requesting a rehearing or reconsideration must provide the specific reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MAHS. If submitted by fax, the written request must be faxed to (517) 335-6088; Attention: MAHS Rehearing/Reconsideration Request.

If submitted by mail, the written request must be addressed as follows:

Michigan Administrative Hearings
Reconsideration/Rehearing Request
P.O. Box 30639
Lansing, Michigan 48909-8139

DHHS

[REDACTED]

[REDACTED]

Petitioner

[REDACTED]